31. (New) A method of reducing or substantially completely eliminating irritation around the site of injection upon injection of a formulation containing propofol comprising administering as a bolus intravenous injection or as an intravenous infusion at the injection site a stable, sterile, and antimicrobial aqueous dispersion comprising a water-insoluble microdroplet matrix of mean diameter from about 50 nm to about 1000 nm consisting essentially of about 1% to about 15% of propofol, 1% up to about 7% of a propofol-soluble diluent, and about 0.8% to about 4% of a surface stabilizing amphiphilic agent, with the aqueous phase comprising a pharmaceutically acceptable water-soluble polyhydroxy tonicity modifier in a quantity sufficient to render the final composition isotonic with blood, and the dispersion being devoid of additional bactericidal or bacteriostatic preservative agents.

32. (New) The method of claim 31, where the ratio of propofol to diluent is about 1:4 to about 1:0.1.

33. (New) The method of claim 31, where the ratio of propofol to amphiphilic agent is about 1:0.8 to about 1:2.5.

34. (New) The method of claim 31, where the dispersion has a viscosity of from about 1.5 to about 8 centipoise.

35. (New) The method of claim 31, wherein the ratio of propofol to diluent is about 1:4 to about 1:0.1, and the ratio of propofol to amphiphilic agent is about 1:0.8 to about 1:2.5, and where the dispersion has a viscosity of from about 1.5 to about 8 centipoise.

36. (New) A method of inducing anesthesia or sedation comprising administering to a subject in need of same an anesthetic-inducing amount of a stable, sterile, and

antimicrobial injectable aqueous dispersion of a water-insoluble microdroplet matrix of mean diameter from about 50 nm to about 1000 nm consisting essentially of about 1% to about 15% of propofol, 1% up to about 7% of a propofol-soluble diluent, and about 0.8% to about 4% of a surface stabilizing amphiphilic agent, the aqueous phase comprising a pharmaceutically acceptable water-soluble polyhydroxy tonicity modifier in a quantity sufficient to render the final composition isotonic with blood, and the dispersion being devoid of additional bactericidal or bacteriostatic preservative agents.

37. (New) The method of claim 36, wherein the ratio of propofol to diluent is about 1:4 to about 1:0.1.

38. (New) The method of claim 36, wherein the ratio of propofol to amphiphilic agent is about 1:0.8 to about 1:2.5.

39. (New) The method of claim 36, wherein the dispersion has a viscosity of from about 1.5 to about 8 centipoise.

40. (New) The method of claim 36, wherein the ratio of propofol to diluent is about 1:4 to about 1:0.1, and the ratio of propofol to amphiphilic agent is about 1:0.8 to about 1:2.5, and the dispersion has a viscosity of from about 1.5 to about 8 centipoise.

41. (New) The method of claim 31 or 36, where the propofol-soluble diluent is selected from the group consisting of isopropyl myristate, cholesteryl oleate, ethyl oleate, squalene, squalane, alpha-tocopherol, triglycerides of medium chain fatty acids, and combinations thereof.

42. (New) The method of claim 31 or 36, where the propofol-soluble diluent is selected from the group consisting of pharmaceutically acceptable natural triglycerides from vegetable sources, pharmaceutically acceptable natural triglycerides from animal sources, pharmaceutically acceptable vegetable oils, omega-3 polyunsaturated fish oils, and combinations thereof.

43. (New) The method of claim 31 or 36, where the surface stabilizing amphiphilic agent is selected from the group consisting of 1,2-dimristoyl-sn-glycero-3-phosphocholine, 1,2-dimristoyl-sn-glycero-3-[phospho-rac-(1-glycerol)], egg lecithin, egg phosphatidylcholine, soy phosphatidylcholine, saturated soy phosphatidylcholine, soy lecithin, dimyristoylphosphatidylcholine, dimyristoylphosphatidylglycerol, hydrogenated lecithin, and combinations thereof.

44. (New) The method of claim 31 or 36, where the tonicity modifier is selected from the group consisting of sucrose, dextrose, trehalose, mannitol, lactose, glycerol, and combinations thereof.

45. (New) The method of claim 31 or 36, where the dispersion is suitable for intravenous injection.

46. (New) The method of claim 31 or 36, wherein the propofol concentration is about 2%.

47. (New) The method of claim 31 or 36, wherein the propofol-soluble diluent is a triglyceride of medium chain fatty acids.

48. (New) The method of claim 31 or 36, wherein the polyhydroxy tonicity modifier in mannitol.

49. (New) The method of claim 31 or 36, wherein the propofol concentration is about 2%, the propofol-soluble diluent is a triglyceride of medium chain fatty acids, the polyhydroxy tonicity modifier in mannitol, and the surface stabilizing amphiphilic agent is egg lecithin.